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STATE PLAN FOR THE DEVELOPMENT  
OF THE CZECHOSLOVAK NATIONAL ECONOMY FOR 1954

[Comment: This report presents the full text of the 1954 Economic Plan for Czechoslovakia, as contained in a law passed by the National Assembly on 20 January 1954. The law was published in the February 1954 issue of Planovane Hospodarstvi (Planned Economy), a publication of the State Planning Office in Prague.]

I. MAIN TASKS

1. The objective of the State Plan for the Development of the National Economy in 1954 is a substantial rise in the standard of living, based on further increases in production and labor productivity and the over-all improvement of economic management.
2. The primary purpose of the State Plan is to ensure the development of an adequate fuel and power reserve. Therefore, the material and financial resources of the entire economy, as well as the attention and efforts of all workers, must be directed toward plan fulfillment in the mining of coal, production of power, and development of mines and power plants, and toward the strictest conservation of fuels and power.
3. To ensure a further rise in the standard of living, an increase in production and labor productivity in agriculture is essential. Such improvements in agriculture will be ensured by all-out material assistance aimed at strengthening and expanding JZDs, MTS, and state farms and improving the production of small and medium farmers.
4. To ensure fulfillment of the State Plan in all sectors of the economy, strict economical management is essential and is the basic prerequisite for price reductions on consumer goods. Therefore, the success of the State Plan depends particularly on fulfillment of the plan for reducing production costs and increasing labor productivity, on correct remuneration of the workers, on protection of workers' material interests, and on reduction of surplus supplies.

II. DEVELOPMENT OF THE INDIVIDUAL SECTORS OF THE NATIONAL ECONOMY

Industry

1. Gross industrial production in 1954 will be 5.1 percent greater than that of 1953, while production of selected goods will increase 7.5 percent. The value of 1954 gross production in each of the major ministries will be as follows:

<u>Ministry</u>	<u>Gross Production (billion crowns)</u>
Fuel and Power	8.0
Metallurgy and Ore Mines	11.68
Chemical Industry	6.6
Engineering	31.08

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<u>Ministry</u>	<u>Gross Production</u> <u>(billion crowns)</u>
Construction	2.63
Forests and the Lumber Industry	7.8
Light Industry	15.23
Food Industry	21.85
Bulk Buying	2.83
Local Economy	3.26

2. Extraction of hard coal (kamenne uhli) will increase 7.9 percent; extraction of petroleum, 8.3 percent; production of metallurgical coke, 5.5 percent; and production of power, 12.2 percent.

To achieve these goals, the volume of mining and preparatory operations (otvirkove a pripravne prace) will be expanded and mine work will be further mechanized. Reserves of hard coal prepared for extraction will increase 9.7 percent, while operations involving the stripping of overburden in opencast brown coal mines will be running 105 days ahead of coal extraction schedules. The productive capacity of hard coal mines will be increased by 1,150,000 tons, and that of brown coal mines by 6,098,000 tons. Expenditures for geological research and prospecting will be increased 31 percent.

New thermal and hydroelectric power plants will be put in operation during 1954. Breakdowns of power producing equipment will be reduced, and all sources of power will be more fully utilized.

3. Extraction of iron ore will be increased 10.4 percent. Production of pig iron will increase 8.3 percent; raw steel, 4.5 percent; rolled products (not including pipes), 13.4 percent, and pyrite concentrates, 27.8 percent. Production of aluminum will increase six times [over 1953?]. There will also be a substantial increase in the production of rolled products and pipes made of refined steel.

Increased production in the metallurgical industry will be achieved through better utilization of blast furnace, steel mill, and rolling mill capacities.

4. The chemical industry will increase production of nitrogenous fertilizers 19.3 percent, phosphate fertilizers 19.8 percent, synthetic fibers 14 percent, "Silon" fibers 25.8 percent, and viscose fibers 16.6 percent. Production of such new products as cryolite, aluminum fluoride, and semiactivated charcoal will be introduced. New plants for the production of ammonia, nitrogenous fertilizers, and synthetic fibers will be put into operation.

5. The engineering industry will produce steam turbines with a total capacity of 937.4 megawatts and diesel engines with a total output of 973,100 horsepower. Production of various engineering products will be increased as follows (in percent of 1953 production): rolling mill installations, 56; agricultural implements, 164.4; buses, 95.1; roller bearings, 35.2; television sets, 21.5; electric refrigerators, 103.1; electric washing machines, 194; and metal kitchenware, 26.

Production of new agricultural machines, such as beet and potato combines and cultivators, will be introduced.

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In an effort to reduce the quantity of surplus supplies on hand in the engineering industry, production of selected goods will be increased more rapidly than over-all production in the industry. Surplus supplies of semifinished products and some raw materials will be reduced.

6. The construction materials industry will increase production of the following products (in percent): cement, 21.7; lime, 17.6; bricks, 17.3; roofing tile, 36.2, and building panels, 41.5. Production of asbestos-cement conduit pipes will be increased, to replace cast iron pipes. Three new cement plants will be put into operation during 1954.

7. The lumber industry will reduce the volume of timber-cutting operations in order to achieve gradually a balance between the cutting of timber and its replenishment. Paper production will increase 3.2 percent, and cellulose production, 2.7 percent. This production increase will be achieved through better utilization of existing production capacities.

8. Light industry enterprises will improve the quality and expand the variety of their products. Production of high-quality textiles, particularly of woollens, will be increased to a point where first-quality merchandise will account for 92.8 percent of all textile production. Production of goods particularly popular on the domestic market will be increased: there will be a tenfold increase in the production of rep, a twentyfold increase in the production of "Anabela" silk scarves, and a twofold increase in the production of velvet. Production of "Manchester" (corduroy) material will be increased by 1.5 million meters. The leatherworking industry will add 70 new styles of leather shoes and 49 new styles of rubber shoes to its selection.

9. The food industry will increase production of various food products as follows (in percent): raw lard, 12.3; refined sugar, 10.7; butter, 11.9; cheese, 84.9; beer, 5.2; perishable wheat baked goods, 6.7; fancy baked goods, 31.2. The variety and quality of food products will be improved.

About 19,000 cubic meters of additional freezing space and 4,500 cubic meters of refrigeration space will be put into operation in 1954.

10. Local industry enterprises and producer cooperatives will further expand production of miscellaneous consumer items, primarily through utilization of local raw materials and industrial wastes. Repair and maintenance services will also be improved.

#### Agriculture and Forestry

1. Gross agricultural production during 1954 will be 12.1 percent greater than that of 1953, including a 6.2-percent increase in crop production and a 21.1-percent increase in livestock production.

2. The following average per-hectare yields will be achieved in various crops during 1954:

<u>Crop</u>	<u>Yield (metric quintals)</u>
Wheat	20.3
Rye	18.1
Barley	19.9
Oats	17.3

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<u>Crop</u>	<u>Yield (metric quintals)</u>
Corn	
Potatoes	23.3
Sugar beets	143.0
Rape	251.0
Tobacco	12.2
Hops	12.9
	6.6

3. The following number of livestock will be attained:

<u>Type of Livestock</u>	<u>Number (1,000 head)</u>
Cows	
Total Cattle	2,150
Sows	4,060
Total Hogs	480
Sheep	4,500
	1,224.6

The average milk production of dairy cows will be increased 16 percent, and the wool production per sheep will rise 3.3 percent.

4. The feed crop area will be expanded, permitting an increase in livestock production and the gradual introduction of permanent rotating pasture land (travopline osevni postupy).

5. The agricultural industry will be further supplied with machinery for soil preparation and for the cultivation and harvesting of crops. Total mechanization of agricultural operations (including threshing) will be increased 12 percent over 1953. The number of tractors in MTS will be increased 22.2 percent, and that of combines, 78.5 percent.

6. To ensure proper and regular supplies of vegetables, fruit, and milk for large cities, truck farms and dairies will be established near such cities.

7. Total forestation will be increased 8.4 percent, of which reforestation will account for 14.9 percent.

#### Transportation and Communications

1. The volume of freight hauled in 1954 will be 6.5 percent greater than in 1953, and will include a 4.3-percent increase in freight hauled by rail and an 11.7-percent rise in freight hauled by truck.

2. Freight car turn-around time will be reduced to 3.9 days, and the average weight of trains will be increased to 780.6 tons.

3. Additional railroad lines will be put into service and the general scope of highway repairs will be expanded.

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4. The number of local telephone subscribers will increase by 4.4 percent, and 200,000 new subscribers will be added to the wired radio net.

#### Investment Construction

1. During 1954, investments will total 23.4 billion crowns. About 16.3 percent more basic funds (zakladni fondy) will be made available in 1954 than were in use in 1953. Investments in agriculture will be more than double those of 1953. Investments in housing construction will be increased 36.6 percent; in cultural and social institutions, 72 percent; in trade and communal catering establishments, 67 percent; and in geological research and prospecting, 24 percent.

2. The amount of construction under way will be reduced by concentrating investment construction activity on projects which are to be put into operation in 1954. All investment construction must be based on prior plans and approved budgetary documents.

3. The volume of construction work on investment construction projects will increase 12.7 percent, while the volume of repairs and maintenance will increase 33 percent. The increased volume of building activity will be achieved primarily through a 10.3-percent rise in labor productivity and the introduction of the assembly-line method and the prefabricated-block method of construction (proudova a blokova vystavba) for housing, as well as the heavy structural assembly method of construction (tezke montaze) for industrial structures.

### III. RISE IN THE STANDARD OF LIVING

#### General

1. National income in 1954 will rise 7.7 percent above 1953 because of a planned 3.8-percent increase in industrial labor productivity, a 10.3-percent increase in labor productivity in the construction industry, and also because of the reduction in the costs of materials in industry and other sectors of the economy. Production costs in industry are to be reduced 2.37 percent compared to 1953.

2. The labor force is to increase by 166,000 persons. Employment opportunities are to be created for 75,000 women and 25,000 partially disabled persons.

3. The purchasing power of the population will rise substantially in 1954. Retail turnover will increase 10.9 percent over 1953. Rural areas will benefit by a 29.1-percent increase in the retail turnover of the cooperative trade sector.

4. Increased retail turnover will be ensured by increased supplies of goods on the domestic market. Supplies of the following goods will be increased as indicated (in percent): baked wheat goods, 13.7; rice, 34.2; legumes, 164.7; confections, 23; meat, 1.4; butter, 23.9; cheese, 116.2; eggs, 28.7; electric washers, 162; refrigerators, 48; motorcycles, 82.6; and fired brick, 35.6.

Sales of textiles and other types of consumer goods will also increase substantially.

5. Turnover in communal catering establishments will increase 11.4 percent in 1954, compared to 1953.

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6. Retail prices of consumer goods will be reduced. This step, combined with the increased income of the population, will amount to an important increase in real wages.

7. About 40,000 new apartments will be turned over for occupancy during 1954. Of these, 27,000 will have central heating. Extension of credit, adequate supplies of materials, and favorable prices of materials will permit construction of 10,000 family homes.

8. The volume of repairs and maintenance operations on homes and apartment properties will increase 21 percent. Capacity of laundries will increase 22 percent, and capacity of public baths will increase 42.7 percent. Trolley-bus transportation will also be improved.

9. The number of beds in health institutions will increase 6.5 percent. This will include a 5.1-percent increase in the number of beds in hospitals and maternity wards, and an 8.4-percent increase in the number of beds in specialized therapeutic and nursing institutions. The capacity of day nurseries will be increased 7.3 percent. The number of factory physicians will also be increased.

10. The system of general education schools (vseobecne vzdelavaci skoly) will be expanded and the number of students in these schools will be increased by 66,000. About 67,000 students will be enrolled in industrial schools and 50,000 students will attend advanced schools during 1954. Construction will begin on 55 general education schools, eight industrial schools, and on additional student dormitories (koleje) and dining halls (mense).

11. Further attention will be devoted to cultural provisions. The artistic level of theater performances and concerts will be enhanced, and the number of persons attending such performances will be increased. Construction of 19 motion-picture theaters will begin. A predominance of color films will be produced and transmission of television programs will be expanded and their quality improved.

#### Technical Materials Supply

1. Supplies of raw materials, other essential materials, fuel, and power, necessary to the fulfillment of the planned tasks in 1954, will be ensured through production and import and through a continued increase in conservation of these materials.

2. Necessary stockpiles will be created to provide for continuous production and to avoid incidental breakdowns, as well as to strengthen the economy against possible adverse contingencies.

3. Conservation of raw materials, other essential materials, fuel and power will be achieved primarily by the following means:

a. Maintenance and tightening of norms and establishment of new norms for the consumption of such materials.

b. Maintenance of supplies of raw materials, etc., at levels prescribed by supply norms, and liquidation of surplus supplies on hand.

c. Better utilization of industrial waste and of local and domestic raw materials.

d. Improvement in the organization of the technical materials supply system.

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Economic Development in Slovakia

During 1954, the industrialization of Slovakia will continue. The total volume of gross industrial production will increase almost 13 percent. At the same time, production of coal and lignite will increase 18.4 percent; that of power, 44.4 percent; of cement, 12.3 percent; and that of bricks, 10.1 percent.

Further expansion of production and services will result from increased investment construction, the volume of which will rise 14.5 percent over 1953. Slovakia's share in the total volume of Czechoslovak investments will be 28.9 percent. Agricultural development will increase 76.8 percent, primarily through a 17.5-percent expansion of mechanization. Field work on JRDs will be 64 percent mechanized during 1954.

The standard of living in Slovakia will be raised by the employment of additional workers, by a 15.3-percent increase in retail trade, and by the expansion of agricultural production, to include a 20-percent rise in the production of meat and a 19-percent increase in the production of milk. In 1954, 35.5 percent more apartments than during 1953 will be completed. Medical care will be improved, and construction of all types of new schools and cultural institutions will continue.

Foreign Trade

During 1954, the volume of Czechoslovak foreign trade will be 19 percent greater than during 1953. Cooperation with the USSR and all nations of the Peace Camp will be strengthened and trade relations with other nations will also be expanded.

## IV. LEGISLATION, IMPLEMENTATION, AND CONTROL OF PLAN FULFILLMENT

The government legislates the State Plan for the Development of the National Economy in 1954 within the framework of this law.

The central organs of the State Administration, and the National Committees, are responsible for breaking this plan down according to location. They are further responsible for the regular execution of the plan, for the regular control of plan fulfillment, and for making timely provisions to prevent the occurrence of obstacles or disproportions in plan fulfillment.

The National Assembly shall follow the implementation and the fulfillment of the State Plan.

## V. IMPLEMENTING REGULATIONS

In the event of a significant change in the conditions on which this plan was based, or in the event that other considerations should so warrant, the government may adjust the tasks outlined in this law.

The government is empowered to issue directives for the implementation of this law. Such directives may entrust the task of making more detailed adjustments to ministries, National Committees, and other agencies.

Individual ministers are empowered, within their areas of jurisdiction, to issue directives regarding implementation of those tasks which are assigned to them by the State Plan.



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Economic measures of a general nature, which central agencies of the State Administration are legally empowered to take, and which apply to the implementation of the State Plan, may be taken only with the consent of the Premier.

The government assumes powers to issue any such directives as are deemed necessary, until 31 December 1954, to fulfill the tasks of the State Plan, even though such directives might otherwise require the passing of a law. However, such directives do require the signature of the President of Czechoslovakia.

The special powers discussed above do not apply to the following:

1. Amendments to the constitution.
2. Approval of the national budget.
3. Adjustment of taxes, duties, and other public payments in the field of national financial administration.
4. Adjustment of currency matters.

The government shall present all directives issued under the above provisions to the National Assembly for approval within one month of the date of issue. Should the National Assembly refuse to approve a directive, the directive becomes invalid 30 days after the refusal, unless the legislative body decrees otherwise. Where a directive becomes invalid in the manner described above, the Premier shall immediately cause this fact to be published in the Sbirka Zakonu (Collection of Laws), and shall state the date on which the directive becomes invalid.

The above regulations also apply to directives designed to create certain conditions favorable to the formulation of legislation and the implementation of plans which may be connected with the State Plan for the Development of the National Economy in 1954.

#### VI. GENERAL AND CONCLUDING PROVISIONS

The State Planning Office (Statni urad planovaci) shall issue binding directives to govern the progress, extent, and method of planning activities.

This law becomes effective on the day of its promulgation and will be implemented by all members of the government.

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